

REVIEW : IAAE INTERCONFERENCE SYMPOSIUM:

CHALLENGES FACING AGRICULTURE IN SOUTHERN AFRICA: 10-16 AUGUST 1998, AVENTURA RESORT, BADPLAAS, SOUTH AFRICA

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The Agricultural Economics Association of South Africa (AEASA) organised this excellent symposium under the auspices of the (International Association of Agricultural economists (IAAE)).

This short review serves to stimulate interest since a special issue of Agrekon will publish the proceedings, which will be distributed to all paid-up members of AEASA and delegates attending the symposium.

After the welcoming address of Ms. Bongzi Njobe-Mbuli (Director General of the National Department of Agriculture) the president-elect of the IAAE, Joachim von Braun gave the keynote address entitled on the "*How to*" of *Agricultural Growth and Improved Food Security. Implications for Southern Africa in a Regional International context.*

Van Braun argued that it is not only important '*How to*' improve food security and agricultural growth but also '*When to*' introduce certain measures. The careful examination of conditions and the analysis of the different effects are crucial to the sequence of reform measures. This is a challenge to our profession as *economic theory* provides little guidance on these dynamic institutional and organisational issues.

Close *coordination between actions* is important for the improvement of food security: Market liberalisation without improved infrastructure, or income generating employment programmes without better food supply won't have much effect.

George Abalu (Economic Commission for Africa, Addis Ababa) in his paper, "Food Security, rural economic linkages and the creation of employment in rural areas of Southern Africa" stated how critical it is to understand and tackle the problem of food insecurity in southern Africa in a broad context of poverty, inadequate income, lack of access to productive resources and lack of

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synchronisation between potential supply and effective demand. It is important to get agriculture moving again in the region and get it connected to the rest of the economy. A dynamic rural economy holds the key to success. It must help people feed themselves either directly or through income generation. Growth in rural incomes can be expected to cause an upward swing in food security through induced increases in effective purchasing power. The interrogation of rural and urban factor and product markets would be crucial. Southern African governments must start looking at their rural areas as business sectors that is key not only to food security but also to overall economic growth. A number of strategic and tactical issues must, however, be addressed including: the need for a cross-sectoral approach that takes into account the important linkages and synergies involved; the empowerment of rural communities; increased access to land and security of tenure; a better recognition of the important role of women; the putting in place of an enabling policy environment; and exploiting the advantages of regional co-operation and integration.

Chris Ackello-Ogutu (Resource Management Policy Institute, Kenya) explored the importance and extents of Interregional trade in agricultural commodities. He made special mention of the extent of informal cross-border trade in Eastern and Southern Africa.

Ousmane Badiane (World Bank) investigated "Market integration and the long run adjustment of local markets to changes in trade and exchange rate regimes". He concluded that low levels of integration among local markets reduce the rate of adjustment of local prices to changes in macroeconomic and marketing policies. The second and more important conclusion is that the possibility to influence the level of price responsiveness through government programmes to improve integration and cut arbitrage costs decreases with low levels of integration (<0.4). The latter finding may explain the difficulties faced by market reform programmes in cases of considerable institutional and infrastructural deficiencies. However, the empirical evidence on market integration in Africa and Asia so far indicates that levels of market integration are high enough to allow market-promoting and cost-cutting measures to raise the impact at the local level of economic and market reform programmes. Furthermore, they indicate that in a situation with already well integrated local markets and responsive prices, the best way to do so would be to adopt measures to reduce arbitrage costs. On the other hand, in a situation with significant deficiencies in market infrastructure and institutions, policy makers will need to set up programmes to raise the level of integration across local markets, in addition to cutting arbitrage costs.

In order to be helpful to policy makers in making these choices, market policy research will need to be extended further and beyond what has been proposed in this paper. The research should include the analysis of options to improve market integration and cut arbitrage costs, and their impact at the local level of the economy.

The paper by Hassan (University of Pretoria), Hamilton (World Bank) and Lange (New York University) entitled: A National Resource Accounting (NRA) approach to integrated environmental and economic management and sustainable development planning presented a review of the principles and techniques of NRA and a synthesis of the experiences and results of a number of recent applications, especially in Africa.

Theo Kleynhans (University of Stellenbosch) and Gerhard Coetzee (University of Pretoria) reported the preliminary results of their research on the "Agricultural potential of Southern Africa".

P Pingali (Vice-president programme, IAAE) gave a detailed presentation of the Intensification of African Agriculture: synthesis of lessons learned.

Thirtle, Amadi, Lusigi (University of Reading) and J van Zyl (University of Pretoria) in their paper explained the economic impact of Agricultural Research Council (ARC) expenditures. They concluded that the ARC has been scientifically successful and extremely successful economically and has followed the best possible strategy of exploiting spillovers from foreign R & D systems.

Anandajayasekeram (FAO, Harare), J van Rooyen (University of Pretoria) and Marassas (ARC) the status of impact assessment in agricultural research in Southern Africa.

C Delgado (International Food Policy Research Institute) in his presentation: "Sources of growth in smallholder agriculture in sub-Saharan Africa: the role of vertical integration of smallholders with processors and marketers of high value-added items", concluded that structural adjustment reforms that remove the worst market disincentives to smallholder agricultural production are necessary but not sufficient to promote growth in the sector. He advocates a return to the conventional wisdom of earlier periods and the re-examination of some of the lost institutional insights that was in many places been more favourable to the growth of incomes of poor rural people than the decades since.

Laurent (INRA-SAD, France), van Rooyen (University of Pretoria), Madikizela (ARC), Bonnal (Cirad-Tera, France) and Carstens (ARC) presented a paper on "Household typology for relating social diversity and technical change: the example of rural households in the Khambashe area of the Eastern Cape Province of South Africa".

They argued that the South African rural life could benefit from an approach, which takes note of the diversity of rural situations and agricultural activities.

Sarbib, Binswanger and van der Brink (World Bank) gave the World Bank's perspective on Rural Development in Africa. The Bank's Africa Region Strategy is to help build consensus around Africa-led strategy, boost private resource flows, change Africa's image, sustain official resource flows and work in partnerships.

The Bank maintains that rural development is the key to poverty reduction because Africa will remain "rural" for some time and most of the poor live in rural areas. Human development indicators are usually worse in the rural areas. Agricultural is about 30-30% of GDP, so agricultural growth matters. Agricultural production needs to double to reduce poverty and increase food security and agricultural exports needs to accelerate.

Additional to these invited papers a plenary session dealt with Regional realities and challenges for agriculture in Southern Africa. Land reform as a stimulus for food security and agricultural growth was the theme of a panel discussion.

The panellists were:

Namibia : W Werner
South Africa : J Kirsten & J van Zyl
Zimbabwe : S Moyo

The participants reported on progress and problems with regard to land reform in their respective countries.

Lively discussion followed. The following contributed papers were delivered:

Bautista, RM and Thomas, M

Agricultural growth linkages in Zimbabwe: Income and equity effects

Mudimu, GD and Hanyani-Mlambo, BT

Commercialisation of Zimbabwe's agricultural extension services: Implications for large scale and smallholder agriculture.

D'Haese, M; Van Huylbroek, G; Van Rooyen, CJ and D'Haese, L

Financial analysis of the mango production on small scale emerging commercial farms in the Venda Region of South Africa.

Graham, D and Lyne, M

The Cash Flow Problem and Land Redistribution in South Africa: Broadening the Land Market and Economising on Government's role

Ewert, J and Hamman, J

Why paternalism survives: Globalisation, State legislation and the Labour Regime in the South African Wine Industry

Mabaya, E; Rusike, J and Christy, R

Horticulture markets in Zimbabwe, Organisation, price behaviour and economic efficiency.

Kilungo, JK; Oluoch-Kosura, W and McDermott, JJ

Allocative efficiency in small holder dairy production in Kenya

Panin, A and Monkhei, M

Relative economic efficiency of cattle and small ruminant enterprises of smallholder farmers in Botswana

Hanyani-Mlambo, BT and Mudimu, GD

The economics of small holder agriculture: A case study analysis of the viability of small holder dairy production in Zimbabwe.

Guveya, E and Gwata, C

Rules governing resource use in the communal areas in Zimbabwe

Ngqanweni, S; Kirsten, JF; Lyne, M and Hedden-Dunkhorst, B

Measuring smallholder comparative advantage in three South African Provinces.

Piessse, J; Simister, J and Thirtle, C

Modernisation, Multiple Income Sources and Equity in the Communal Lands in Zimbabwe

Kimenyi, L

Understanding low rates of technology utilisation by women farmers: A case study of the determinants of adoption of improved sorghum varieties by women farmers in Kenya.

Trueblood, MA; Shapouri, S and Henneberry, S

A comparison of regional policy options to stabilise food supplies in the Southern African Development Community

Rosen, S and Shapouri, S

World Food Summit pledge: Can it be achieved in Southern Africa?

Koffi-Tessio, EM

Complimentarity and competitiveness of intra and inter regional agricultural trade: Evidence from European union and economic community of West-African States.

Townsend, R; Sigwele, H and McDonald, S

Export losses from livestock diseases in Southern Africa

Heltberg, R

Trade Bans and Wildlife Conservation: The case of African elephant ivory.

Jooste, A; Aliber, M and Van Schalkwyk, HD

The impact of different trade scenarios on selected agricultural produce in South Africa

Rohrbach, DD

Demand-led technology change: Are public research and extension programmes still relevant?

Lusigi, A; McDonald, S; Roberts, J and Thirtle, C

Is African agriculture converging? Evidence from a panel of crop yields.

Mudimu, GD

Economics of smallholder soybean production in Sub-Saharan Africa: A case study of technology development, transfer and institutional linkages in Zimbabwe

Townsend, R

Is livestock research unproductive? Separating health maintenance from improvement.

Chancellor, F

Smallholder irrigators: Economic challenges and tools.

Atkins, SL

The economics of smallholder irrigation systems in Swaziland.

Atkins, SL and Dlamini, SM

Results of a socio-economic baseline study of the proposed lower Usuthu Smallholder Irrigation Development Project Area: Implications for project design

Conradie, B; Frasier, M and Hoag, D

Increasing block pricing and residential water demand: Challenges in estimation and price.